

DEVELOPING MANAGERS - AN INTEGRAL PART OF THE MANAGEMENT PROCESS

*a model for making
management development an
organizational way of life*

With today's critical shortage of capable managers, a vote for management development is akin to a vote for motherhood. All must necessarily vote "aye." The need is self-evident.

The problem, however, is far more obvious than the solution. Much more is known about motherhood than is known about management development.

Every day, the individual responsible for manager training and development in his organization is virtually deluged with announcements, brochures and fliers — all dealing with educational courses, workshops, seminars, audio-visual aids, multi-media training devices, programmed learning materials, etc. In addition, he gets several monthly phone calls from practicing consultants, universities and other institutions, each of which has some new tool, method or technique for developing his company's managers. These efforts cover virtually every area of general management knowledge plus training in effective human relationships, communications, motivation, including management skills of planning, organizing, controlling and measuring.

It all adds up to an overwhelming hodge-podge of activities, pre-packaged programs, and materials which often bear little or no relationship to what is being done in the organization presently, let alone what needs to be done.

The author has discovered that in most instances the organization or sales representative makes little or no effort to help the manager of executive development identify his real needs, evaluate existing good and marginal management development practices in his firm, and then capitalize on what is actually being done.

The purpose of this article is to provide a few insights into the process of management development — what it is and is not; why it is so important; and precisely why and how it is an integral part of every manager's job.

NOT ANOTHER PROGRAM

This article is a brief introduction to the author's new book, *A Concise Guide to Management Development*, which has just been published by the American Management Association. The book is essentially a how-to-do-it approach which emphasizes manager development as a way of life within the organization rather than as another program to be injected into a busy manager's already crowded schedule.

This approach begins by defining management development as a process which involves the interaction of the man, his manager, his job and the work environment. The key is to recognize certain facts:

- that the best development still takes place on the job
- that management development is an individual process
- that the individual's manager is a key influence on his development — for better or for worse
- that the individual's willingness and ability to perform effectively on his present job, as well as prepare for his next successive responsibilities, are significantly influenced by the following:
 - the purpose and charter of the organization
 - the business plan and objectives
 - the organization structure
 - the communication system
 - the degree of commitment, support, participation and involvement of all senior management, beginning with the organization's president
 - the degree to which individual positive responsibilities have been clearly defined
 - the performance standards for his position
 - the degree of the man's involvement in the goal-setting process
 - the feedback to the individual relative to how well he is doing
 - the recognition he receives, including his compensation

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SYSTEMS APPROACH REQUIRED

The reader will note that, thus far, nothing has been said about courses, manpower inventories, replacement charts or formal performance appraisal systems. The reason is that these are tools and techniques which aid and abet the management development process, but by no means are the sole components of successful management development. The crux of this article is the necessary recognition that *sound management development requires a systems approach*.

The model shown in Figure 1 clearly illustrates the close inter-relationships among the essential, relevant business activities ascribed to the management development process. It is designed to help visualize the inescapable fact that one of the manager's key responsibilities is to provide a qualified replacement for himself.

The model further recognizes that manager development is synergistic. The emphasis is properly focused on maintaining the present vitality of the organization while systematically relating individual development activities to business plans which produce immediate improvement in present job performance while providing for future growth.

The systems approach to manager development has no real ending; it is a continuous process. It is a closed loop of vitality and continuity which flows and eventually recycles to provide capable managers. Sound business and manpower plans produce good men to work the plans and make the plans work.

BUSINESS PLANNING

In the first circle, *Business Planning*, the most sensitive members of the management team are encouraged to recognize that good business planning is the key-stone in the arch of good management development. Good business planning includes organization and manpower planning. If the product or service is carefully defined in terms of the satisfactions promised to the consumer, management can then direct its efforts to developing its specific objectives when

vice, market share, public and employee relations, employee development, or leadership in product and/or process technology. Whatever the decision, based on top management's philosophy and value system, the direction for management development cannot be clearly identified without systematic organization and manpower planning.

Recognition that changes in the markets, products, technology, communications, labor relations, business climate and environment, as well as sweeping social changes, will force management to rethink its business objectives, to define its future organization, to identify new skills which will be needed and positions to be filled. Briefly, individual career plans and development must be geared to future business needs.

The more precise the plan, the clearer the picture becomes for the types of managerial talent needed to realize the business goals. Management development can, in several respects, be described as a by-product of manpower planning.

A well-administered manpower plan will result in the availability of the right kinds of managerial talent to meet future needs. It also serves to reduce turnover and avoid crisis-oriented recruiting. It assists in improving managerial productivity by making more effective use of managerial talent. It helps to identify superior and marginal performers.

WHAT IS EXPECTED

A thorough job of manpower planning makes possible a clear definition of individual responsibilities and accountability. In the second circle, *A Knowledge of What Is Expected*, the position description is translated into a meaningful package of work for the individual assigned to the position.

This management-by-objectives approach provides for:

- individual goals mutually agreed to between the man and his manager. These goals provide for quantitative as well as qualitative performance standards.

accomplishment of responsibilities and goals.

- individual career plans based on business needs and the man's developmental needs—his career interests and demonstrated performance.

Management-by-objectives is based on the proven fact that most individuals make more effective contributions to attaining organizational objectives when they understand the part they are to play in attaining those objectives.

Because manager development is an interactive process involving the man, his manager, the job and the work environment, a management-by-objectives approach is ideal to bring these four elements together where the environment and the job are shaped and controlled by the man in close cooperation with his manager.

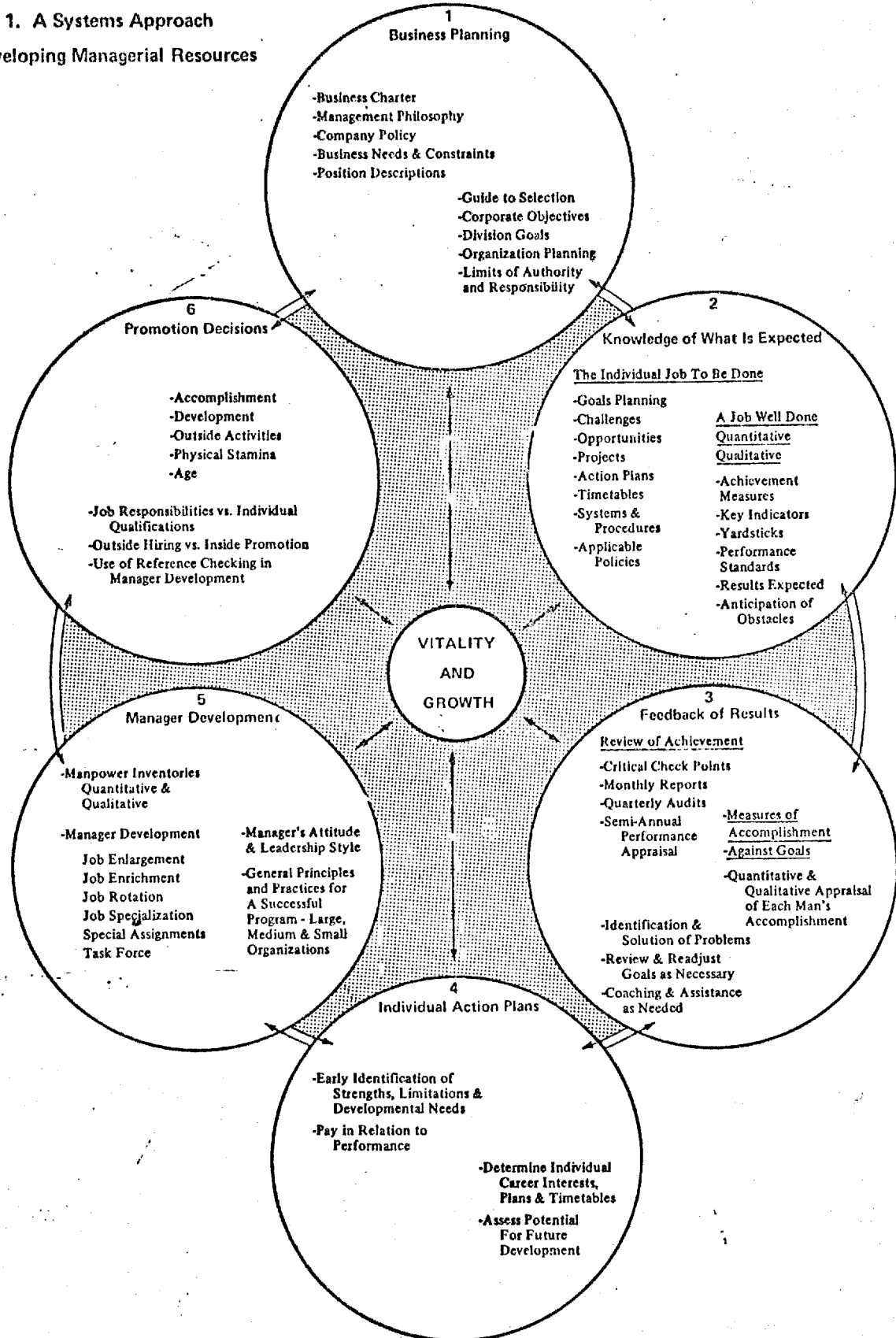
Most of us spend a great deal of time feeling out the situation to avoid making mistakes. A close communication between the man and his manager is necessary because operating problems, business pressures and lack of information prevent optimum use of time spent with employees. This often results in managers not knowing what is expected of them in priorities, goals, timing and team efforts. The true contribution of the manager is difficult to assess without specific measurable goals. Best results are not achieved and individual needs for assistance, guidance and teaching are not clearly established.

Management-by-objectives helps avoid these pitfalls by creating the conditions which enable individuals to contribute willingly and effectively to results. Business plans become personalized, and individual commitment through involvement and participation are brought about.

RESULTS

Equally important is the periodic feedback or *Results* by a manager to his people as illustrated in circle three. If agreement has been reached on performance standards and achievement measures, there is no doubt in the manager's mind that a job well done or

Figure 1. A Systems Approach
to Developing Managerial Resources



poorly done. Through agreed upon measures of accomplishment and a periodic feedback system, an individual's contribution to the organization and to himself is measurably improved.

The individual job focuses on real business problems and opportunities and enables full delegation of responsibility and authority for accomplishing planned goals. Self-assurance is developed through the realization of difficult and challenging goals.

Most importantly, a provision is built in for an early-warning system to recognize non-obtainable or unrealistic goals. A basis is provided for formal, systematic review of progress (known as performance appraisal). Feeding back results is perhaps the most sensitive part of a manager's job, and perhaps the most important responsibility a manager has to his people and to himself. How he discharges this responsibility will either decrease or increase productivity and profitability. It will either be of tremendous help or hindrance in an individual's development.

When a manager conscientiously attempts a performance appraisal, his sincerity and concern for the progress of the individual will far transcend the technique employed.

Performance appraisal or feedback of results is a two-way street. While it should recognize and compliment good work, it should also serve the manager in finding out how well he is doing in terms of his availability, impartiality, helpfulness and point out his own developmental needs.

Performance appraisal should serve as one of the bases for pay increases and promotions. It should certainly serve to improve present job performance by pinpointing areas where improvement is needed. And perhaps most important, it should serve as a vehicle to identify individual strengths and developmental needs — both educational and experiential.

A manager is judged by the results produced by his people. This primary job is to motivate, stimulate and develop his

people while obtaining business results. If he lacks or cannot find time to develop his people who do the work for which he is responsible, what does he have time for?

INDIVIDUAL ACTION PLANS

In circle four, *Individual Action Plans*, we now formulate a clear pattern of the results of good management practiced in circles 1, 2 and 3 and observe their effects on the manager development process. A good manager really knows his people; he utilizes the strengths of each to accomplish the objectives of his component. Management-by-objectives, with its built-in provisions for performance review and improvement, serves to identify superior performers early in their careers. The focus is on accomplishment rather than activity.

The best prediction we have of future managerial success is superior performance on the present assignment. While this is no guarantee of future success (e.g. promotion of a top salesman to sales manager), it is still our best predictor.

Many organizations have adopted "early identification" programs to select men for advanced training during their early years (usually between the ages of 30 and 35). Through the use of quantitative performance standards, individual strengths, limitations and developmental needs are readily perceived. To fill key senior management positions, a beginning must be made early in a man's career. Superior performers must be identified; they must be properly compensated in relation to their contribution to business results.

While compensation is not a great motivator *per se*, the absence of appropriate pay for exceptional performance is a sufficient dissatisfier to cause turnover of high-potential young comers.

There are a number of criteria in addition to strict quantitative measures, for identifying young high-potential executives. The methods are beyond the scope of this article, but are treated in the book. It is possible to assess a man's potential for future development and

then evolve a career plan with individual assignments supplemented by appropriate outside education to meet his needs and the needs of the business.

MANAGER DEVELOPMENT

In circle five, *Manager Development*, we take the information derived through effective business planning — identification of future managerial needs and measurement of individual performance — and weld these together into a meaningful approach to manager development.

At least once a year, most organizations assess their future needs for plant, facilities, equipment, machinery, capital and other resources. In a 100 million dollar company with an annual growth rate of 10%, it is not unusual to see \$5,000,000 budgeted for capital expenditure each year over a three-year period.

In addition, complete physical inventories of materials, finished products and fixed assets are taken annually.

Yet few companies annually inventory their managerial talent — the men who need to work the business plans and make the plans work.

While lofty and compelling business plans are made and budgeted, seldom do the budgets include the required additional investment in management manpower. An investment in management talent should be as carefully planned as a capital expenditure for a new plant. And this investment must be sustained in bad times as well as in good times. Manager trainees laid off in bad times are not available when the good times (inevitably) return, and recruiting gets more expensive.

One necessary step in the management development process is to prepare for replacement planning as well as for anticipated openings to be created by expansion, organization change, technological development and normal growth. Starting with people budgets which would include timing as well as number and kinds to attain business objectives, management should systematically survey its present managerial resources.

Each exempt employee could complete a simple manpower inventory form containing such information as education, experience, salary history, special training and career interests.

Inventories would also include managers' ratings of present performance and promotability along with appropriate supportive data. In a large organization, a computerized system of storing, processing and retrieving data could be used. For the small and medium-sized organizations, excellent manual systems are available commercially. The personnel department normally is the custodian of this highly-confidential data which is subsequently used to generate internal candidates for open positions. From the data, back-up organization charts can be developed to assist in assessing present managerial skills against projected needs. Thus, voids and gaps can be clearly identified once developmental plans can be formulated for individuals to fill these needs.

Manpower reviews should be conducted annually by top management. In these reviews, each manager reports to the senior officers who his best and poorest performers are, and what he is doing to develop his best people, as well as how he is attempting to improve the performance of marginal employees.

Organizations must find ways to reward managers who develop their people. Part of a manager's performance appraisal should include the effectiveness of his efforts to develop his people.

Thus, the manpower inventory leads naturally into another phase of the management development process. Management development is not a complex, expensive process. While it does require a sustained modest investment in managerial resources, the big commitment is in terms of top management attitude which sets the tone for the development climate throughout the organization.

MINIMUM CRITERIA

There are minimum criteria for a successful approach. By way of summary, they include, in addition to the active

involvement of top management, sound business plans, an appropriate organization structure and clearly-defined position responsibilities, well-defined quantitative and/or qualitative performance standards, feedback of results, individual participation and involvement in goal-setting, manager's favorable attitude and leadership style, and a well-administered, competitive compensation plan.

Companies and institutions must make a beginning. They should begin where they are. Most organizations are engaged in some good practices and some bad ones. Effort should be directed toward building on the good practices while gradually displacing the bad practices.

The actual development itself is an individual process which requires close communication and cooperation between the individual and his manager. Development efforts are linked to improving present job performance while providing new knowledge, skills, experiences and attitudes in preparation for financeable future job opportunities.

Numerous techniques and methods are designed to foster and accelerate individual development. They include on-the-job as well as off-the-job experiences and formal courses of study. The innovative manager, in conjunction with the manager of executive development, selects the most appropriate combination for the individual and the company.

Such techniques build on strengths and work to eliminate weaknesses and develop new attitudes. They include:

- use of group consultation in the decision-making process
- challenging individual work assignments
- opportunities to exercise judgment by substituting for the manager during his absence
- chairman of a task force, e.g. product planning, cost improvement
- job specialization to concentrate on a specific area of a man's total responsibility
- job rotation
- job enlargement

- job enrichment
- special committee assignments

PROMOTION DECISIONS

In circle six, *Promotion Decisions*, the fruition of a management development process results in the availability of qualified internal candidates for promotion when openings occur.

Good promotion decisions result from good planning. The model stresses accomplishment. When these are matched with projected manpower needs based on anticipated position requirements, the required knowledge, skills, attitudes and experiences can then be programmed for each individual's development. There are other relevant criteria for promotion decisions such as: the knowledge factor, a man's progress during development, his outside activities, his physical stamina and age.

The manager must insure that future work will be provided for and arranged effectively. Individuals are not developed in a vacuum. A promotion decision should be the result of a systematic, well executed plan which has resulted in the acquisition of new knowledge, skills and experiences. It is as important as systematic planning for new products, facilities and major capital financing.

All managers need to develop just to keep pace with the state of the art. The growing complexity of the manager's job threatens obsolescence. Factors such as the information revolution, the urban crisis, the social revolution, and computerized information systems coupled with changing concerns both in organizations and in human relationships mandate a stepped up management development process.

Unless an organization recognizes the need to bring together the efforts of its key people through treating management development as a way of life, as a legitimate business activity which affects all essential functions of the organization, the specter of obsolescence and misdirected or dissipated time, money and energy will be the end result.